Use of electronic mode for transfer of funds

4358. SHRIMATI S.G. INDIRA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the Reserve Bank of India is considering to encourage customers to switch to electronic mode for transferring funds;

(b) if so, the details thereof;

(c) whether it is also a fact that the Reserve Bank of India had also asked the banks to change before issuing payments through cheques; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) and (b) With a view to spread the use of electronic modes of fund transfer and the advantages of early availability of funds to the beneficiaries, RBI is encouraging customers to switch to electronic mode of fund transfer. However, it is only encouragement and it is not mandatory on the part of the customers. The customers would always have choice to make use of traditional modes of payments like cheques, drafts, pay orders etc.

(c) and (d) The Study Group appointed by RBI had recommended that in order to encourage the use of electronic modes of fund transfer, RBI may consider advising banks to charge for the paper modes of funds transfer. However, RBI has not accepted this recommendation on charging for paper based payment transactions and has issued a press release in this regard on May 4, 2007.

World Investment Report, 2006

4359. SHRIMATI N.P. DURGA: Will the Minister of FINANCE be pleased to state:

(a) whether as per World Investment Report, 2006 India could garner only 0.72 per cent of total global FDI inflows which is not even 10 per cent China's FDI inflow (7.98 per cent);

(b) if so, the reasons for such a low inflow;

(c) the FDI inflow during the last five years, year-wise;

(d) how the liberal and transparent FDI policy and 100 per cent FDI in some sectors is unable to boost FDI inflow;

(e) what other methods Government propose to attract more FDI;

(f) rationalisation methods undertaken after the review of FDI policy in 2006; and

(g) how FIIA is helping to implement FDI approval without time-delays?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) and (b) Yes Sir, as per the World Investment Report 2006, India and China had an inflow of 0.72 per cent and 7.92 per cent of total global FDI inflows, in 2005, respectively. Investment decision including location is determined by the techno-economic considerations and commercial judgement of the investor besides the macroeconomic policy environment including FDI policy.

(c) As per the lates available information from various issues of World Investment Reports, the FDI inflows to India were as below:

Year	2001	2002	2003	2004	2005
FDI inflows (Us $ Mn)	3403	3449	4585	5474	6598

(d) and (e) Besides putting in place a liberal and transparent FDI policy under which FDI up to 100% is allowed on the automatic route in most sectors, Government adopts a number of promotional measures such as holding Destination India events, road-shows, hosting interactive websites etc. to attract FDI into the country.

(f) A copy of Press Note 4(2006) containing the rationalization measures announced after the policy review in 2006 is hosted on http://www.dipp.nic.in.

(g) FIIA has been established with a view to providing a single-point interface for the foreign investors to resolve investment related concerns.